

INDIRECT COST DISTRIBUTION BASES

Cost Centers	Acceptable Bases	Non-Acceptable Bases*
1. Depreciation-buildings and Fixtures	1. Square feet for total depreciation 2. Individual building depreciation allocated on square feet(a sub-schedule will be required to show these computations)	
2. Depreciation-movable Equipment	1. Square feet 2. Actual depreciation by cost center	
3. Employee Health & Welfare Fringe Benefits	Gross salaries	Average number of employees and full-time equivalents
4. Administration and General	1. Total direct costs 2. Direct salaries	
5 Telephone (allowable costs only)	Number of non-client telephones	
6. Purchasing	1. Number of purchase orders 2. Dollar value of purchases (exclusive of fixed assets purchases)	
7. Admitting	Accumulated inpatient revenue - ancillary and routine (outpatient revenue should be included if outpatient admitting functions are performed)	Number of admissions (not allowable as it does not allocate any costs to ancillary departments)

* This represents bases that have been determined to be unacceptable, it is not meant to be all inclusive.

TABLE(cont'd)

Cost Centers	Acceptable Bases	Non-Acceptable Bases*
8. Client/Patient Accounting	Gross revenues	1. Number of documents posted 2. Number of client/patient days (not allowable due to exclusion of outpatients)
9. Operation of Plant	Square feet	
10. Maintenance of Plant	Square feet	Costed work orders
11. Laundry and Linen	1. Pounds of soiled laundry processed 2. Pounds of processed laundry issued 3. Itemized bills by department for Purchased service	
12. Housekeeping	1. Hours of service 2. Square feet of cost centers serviced	
13. Dietary – raw food	Number of meals served	
14. Cafeteria (allowable costs only)	1. Number of meals served 2. Sales value of meals sold 3. Number of employees	Salaries of employees
15. Nursing Service Administration	1. Actual hours of nursing service supervised 2. Number of employees supervised	1. Time studies 2. Salaries of employees

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TABLE(cont'd)

Costs Centers	Acceptable Bases	Non-Acceptable Bases*
16. Medical Supplies and Expenses or Central Supplies and Services	1. Costed requisitions 2. Other special analysis of supplies Usage based on auditable records	
17. Pharmacy	1. Costed requisitions 2. Special study based on auditable records	
18. Medical Records	1. Percentage of time spent based on auditable records 2. Any other basis must include time spent for outpatient, doctors, nursery, and other special service areas (e.g.,ICU,CCU)	Number of admissions(not allowable since it does not reflect potential for other activities such as outpatient and nursery)
19. Social Services	Time spent in proving casework service for clients/patients in each center (including outpatients and special care, if applicable)	
20. Nursing School	Assigned time (hours) of student nursing service by department	
21. Intern and Resident School	Assigned hours of service by the department for interns and residents	

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